GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:688
ANSWERED ON:28.07.2005
WAGON MANUFACTURING UNITS
Agarwal Shri Dhirendra;Rana Shri Kashi Ram

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the wagon manufacturing units are failing to produce as per their capacity;

(b) if so, the reasons therefor; and

(c) the steps taken by the Government to enable these units to produce to their manufacturing capacity so as to do away with the shortage of wagons?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV)

(a) &(b): The four Central Public Sector Enterprises (CPSEs) under administrative control of this ministry namely Burn Standard Co.Ltd.(BSCL), Braithwait & Co. Ltd. (BCL), Bharat Wagons & Engg. Co. Ltd. (BWEL) and Bridge & Roof Ltd. (B&R) are engaged in manufacturing of wagons. They have been unable to produce wagons as per their installed capacity due to the following reasons:

i. Inadequate and delayed supply of critical components such as bogies and couplers by the approved venders. ii. Shortage of steel and wheel sets. iii. Decreasing trend of wagons prices from 1997-98 to 2003-04 resulting in erosion of working capital of these companies. iv. High overhead costs due to sub optimal utilization of capacity owing to lack of adequate orders.

(c) Ministry of Railways have agreed to provide bogies and cuplers, besides steel, wheel sets and bearing as free supply items from 2005-06. Government have provided financial support in the form of non-plan loan to meet shortfall for salary and wages. In addition, revival packages for BCL, BWEL and B&R have been worked out through the Board for Reconstruction of Public Sector Enterprises.